



COMPTROLLER

UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

AUG 26 2005

The President
The White House
Washington, DC 20500

Dear Mr. President:

This letter is to report a violation of the Antideficiency Act as required by Title 31, United States Code, section 1351, by the Department of the Navy, case number 03-01.

During fiscal year 2002, the Marine Corps was authorized to mobilize up to 7,500 reservists after the terrorist attacks of September 11, 2001. Because of complexities associated with the increased workload of mobilizing thousands of reservists and no accurate process for tracking the costs, the Marine Corps made over disbursements from the Military Personnel, Marine Corps appropriation until July 2003. The violation totaled \$21,800,000. The over disbursements resulted in a violation of Title 31, United States Code, subsection 1341(a).

Enclosed is a report from the Assistant Secretary of the Navy (Financial Management and Comptroller). The following individuals were named responsible for the violation.

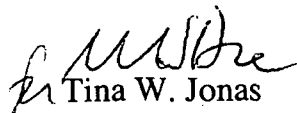
Mr. Charles E. Cook, III, Assistant Deputy Commandant
(Programs and Resources), Director, Fiscal Division, Headquarters,
United States Marine Corps
Mr. William Wallenhorst (retired), Deputy for Budget Division,
Headquarters, United States Marine Corps
Ms. Christine Fox (retired), Branch Head, Military Personnel Branch,
Headquarters, United States Marine Corps
Mr. Gregory P. Bitz (retired), Director, Defense Finance and Accounting Service,
Kansas City, Missouri

The violation was corrected in August 2003 when \$27 million of Defense Emergency Response Funds was provided to cover the Marine reserve mobilization costs. The Navy implemented revised procedures to preclude a reoccurrence of this type of violation.

Four individuals were found to be responsible. The Navy concluded there was no knowing or willful violation of the Antideficiency Act by the individuals named responsible for it. The Navy determined that no disciplinary action should be taken against the responsible individuals; however, the individuals were withdrawn from any consideration for any financial performance recognition for the year in which the violation took place.

Identical reports are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General of the United States.

Respectfully yours,


Tina W. Jonas

Enclosure:
As stated



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The Honorable Richard B. Cheney
President of the Senate
Washington, DC 20510

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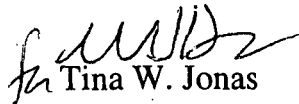
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Sincerely,


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The Honorable J. Dennis Hastert
Speaker of the House
Washington, DC 20515

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